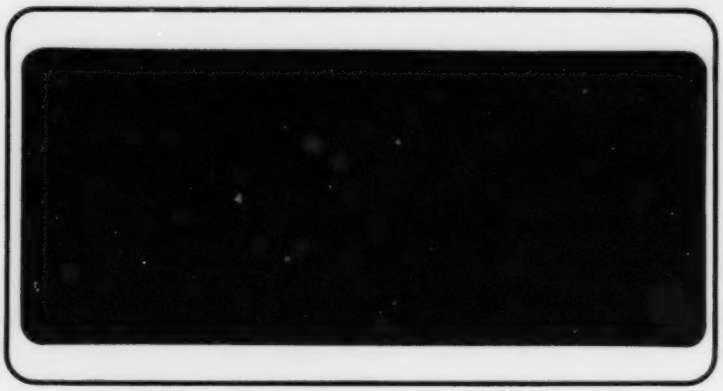

VOLUNTARY
PLANNING

REPORT OF THE NOVA SCOTIA CONSULTATIONS ON MARITIME ECONOMIC COOPERATION

COORDINATED BY: Voluntary Planning

DATE: June 5, 1992

VOLUNTARY
PLANNING

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On behalf of Voluntary Planning, please accept our sincere appreciation for the time and energy you contributed to our consultation on Maritime Economic Cooperation.

Because we agree with participants at the May 11, 1992, workshop who said that follow up is a vital part of consultation, we are sending you the report from the workshop, as well as excerpts from the written submissions.

This report, along with full copies of the written submissions, has been forwarded to Premier Don Cameron who requested Voluntary Planning to consult with Nova Scotia's non-government sector on this important issue.

Copies have also been sent to the Honourable Thomas J. McInnis, Minister of Economic Development, Carol Conrad, Deputy Minister of Policy Board, and Emery Fanjoy, Secretary to the Council of Maritime Premiers.

This submission to the Nova Scotia government was accompanied by a request that Voluntary Planning be kept informed of progress on the issue of Maritime Economic Cooperation.

As part of our commitment to follow up, we will provide this information to you as it becomes available.

Sincerely,

Robert P. Radchuck
Chair

/ke

Printed on paper that contains recycled fibre

92-06077/

INTRODUCTION

In December 1989, Dr. Charles McMillan released a report to the Council of Maritime Premiers entitled **Standing Up to the Future: The Maritimes in the 1990's**.

In his report, Dr. McMillan identifies the key socio-economic issues facing the Maritimes and argues for greater Maritime Economic Cooperation.

In March 1991, the Premiers of the Maritime provinces agreed to rigorously pursue Maritime Economic Integration. **Challenge and Opportunity**, a discussion paper produced by the Council of Maritime Premiers, puts forward a vision, guiding principles, and strategic goals for a strong and integrated Maritime economy.

The discussion paper was broadly distributed throughout the Maritime provinces to invite comment and new ideas. Each province determined its own consultation process.

In Nova Scotia, Premier Cameron approached Voluntary Planning to consult with Nova Scotians and gather input on the issue of Maritime Economic Cooperation from the non-government sector. To accomplish this, Voluntary Planning organized a one-day workshop on the issue and advertised in two provincial daily newspapers asking for written submissions.

This report is comprised of two parts. Part I reflects the comments and ideas gathered from the workshop. Part II is a summary of the written submissions.

It should be noted that this report is not intended to be Voluntary Planning's position on Maritime Economic Cooperation. Rather, Voluntary Planning provided the forum and organization to coordinate the input of the non-government sector.

Voluntary Planning had not expected the participants at this conference to reach consensus on all issues. The workshop was designed to offer an opportunity for free and open discussion on the vision of Maritime Economic Cooperation from many viewpoints.

The material included in this report has been reviewed for accuracy by Mr. Robert P. Radchuck, Chairman of Voluntary Planning. Although there are no formal recommendations or resolutions, areas of general agreement and principles have been identified. Overall, this report is a summary account of the comments and themes raised during the workshop.

REPORT OF THE NOVA SCOTIA

CONSULTATIONS ON

MARITIME ECONOMIC COOPERATION
PART I

COORDINATED BY: Voluntary Planning

DATE: June 5, 1992

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WORKSHOP PROCESS

The workshop was held in Halifax on May 11, 1992, and attracted approximately 75 people representing a wide range of interest groups. Voluntary Planning went beyond the boundaries of its own membership to ensure that people representing a broad cross section of opinion would have the opportunity to participate in the workshop. The 75 participants were drawn from an invitation list of 160.

Invitations to the workshop included a copy of the Council of Maritime Premiers' discussion paper, **Challenge and Opportunity**, as well as a request that those attending the workshop provide the organizers with three issues, or areas of interest, delegates felt should be discussed.

Participants were divided into four working groups: Well Being, Competitiveness, Infrastructure, and Investment. During the morning session, people were matched as closely as possible to their fields of interest. The afternoon sessions were planned so that people from various backgrounds would focus on specific aspects of the recommendations from the morning sessions. Each group was asked to discuss their subject in the context of self-reliance, well being, and prosperity as set forth in the vision presented in **Challenge and Opportunity**:

> **The governments of the Maritime provinces are committed to achieving economic self-reliance for their provinces and improving the well being and prosperity of their peoples.**

The workshop was chaired by Robert P. Radchuck, Chairman of Voluntary Planning. Speakers were Dr. Tim O'Neill, President of the Atlantic Provinces Economic Council and Emery Fanjoy, Secretary to the Council of Maritime Premiers. Dr. O'Neill set forth the global changes influencing Maritime Economic Cooperation, while Mr. Fanjoy elaborated on the progress of discussions among the three provinces.

Voluntary Planning takes this opportunity to thank all who gave their time and energy to address the issue of Maritime Economic Cooperation. We particularly want to thank the following people who acted as facilitators and rapporteurs for the working groups:

Facilitators	Rapporteur
Raymond Ivany	Janet Eaton
Teresa MacNeil	Elwood Dillman
Terry Norman	Debi Forsyth-Smith
Elaine Shuttleworth	Maurice Lloyd
John Thorpe	Carolyn MacGregor

SUMMARY

Principles and Issues

The members of the four working groups--Well Being, Competitiveness, Infrastructure, and Investment--were asked to report back to the group as a whole following the morning and afternoon sessions.

The following is a summary of general conclusion/principles from the group reports. The group reports are attached in full with the appendix.

Overall Comments

Throughout the group sessions, participants made overall comments on Maritime Economic Cooperation. Areas of concurrence reached by participants include:

Maritime Economic Cooperation was seen by many as an opportunity to cast aside old and inefficient practices and develop new ways of cooperating to ensure a brighter future. While some questioned the political will to change and felt that political integration is needed, others thought it would be helpful to begin cooperating in "familiar" areas, such as assessment of health care technology. Many voiced the fear that blending the programs of three provinces would lead to services based on the lowest common denominator. Two groups recommended that services in all three provinces be assessed and that the highest quality services be adopted regionally.

It was felt that to date this initiative has been pushed by government, and that the private sector needs to be more involved. The question remains of how to link the current government-led Maritime Economic Cooperation initiative to include the input of the non-government sector; i.e., top down with bottom up.

Workshop participants indicated that follow up is a necessary part of the consultation process. That is, they expect to hear how their input is used. Although the media suggests the public is tired of consultations, participants argued that people will participate if they are listened to and if there is a process to communicate back to them.

While all participants attending the workshop agreed with the vision of economic self-reliance, well being, and prosperity, not all agree on how to achieve this vision.

The following summation is categorized by discussion group.

Well Being

Discussion by the "well being" group was directed by the following issues:

- Education and health care.
- Community development.
- Cultural identity.
- Needs of minorities, seniors, women, the poor.

Based on these issues, participants identified the following general conclusions/principles.

Participants felt that government is pushing the responsibility for services onto small communities without the resources, the training, or the information to allow the communities to adequately meet the challenge. There was a recognition of the need for communities to fully participate in community and economic development, but government was seen as impeding that process. It was felt that government and bureaucrats see themselves in an adversarial role and will not provide the information needed. One example given was Nova Scotia's suicide statistics. Communities cannot deal with a problem if they are unaware of its existence.

It was generally agreed that adequate resources exist for funding of education and health care, but these resources need to be realigned and reallocated. Encouraging good health will prove less costly than treating illness. Many felt that programs should be developed regionally, but delivered locally.

Communities were seen to be very important in developing a better education environment. While many felt that universities needed to rationalize, they also needed to be accessible. It was considered redundant for three universities in Halifax to offer the same programs.

Well being depends on:

- Equality of people within the region will require special measures, especially in more disadvantaged areas.
- Full employment in meaningful jobs is essential for well being.
- Appropriate standards of education, health; the right to food and shelter must be a core principle.

- **Full empowerment of communities and individuals with appropriate resources, training, and information.**

- **Access to information, particularly government information.**

- **Sharing of research and planning analysis.**

- **Achieve goals through reallocation and realignment of priorities and resources to non-government organizations at appropriate levels.**

- More interdepartmental coordination and collaboration.

- Ongoing evaluation to measure outcomes to audit for adjustment.

- Innovative society; education to focus on flexible specialization.

- Economic self-reliance depends on well being.

- Economic development and well being cannot be separated.

- Maintain high standards in health care and education.

- Maritime Provinces Higher Education Commission should have more input into the post secondary education system to facilitate such things as the easier transfer of university credits.

- Government money already in the system should be reallocated. More accountability in government is required.

- Greater level of input from communities is needed.

- Begin the process with "familiar" issues; i.e., a health delivery system between two communities.

Competitiveness

Discussion by the "competitiveness" group was focused by the following issues:

- Training standards and mobility.
- New labour-management relations.
- Harmonization of business programs.
- The role of cooperatives and credit unions.
- Cooperation within the region.
- The role/responsibilities of the non-government sector.
- More effective and appropriate consultative and education mechanisms.

(Note: Organized labour representation was from the Canadian Federation of Labour.)

In discussing the assigned issues, participants noted the following general conclusions/principles:

There is a need for a definition of employment mobility. A question was raised about the definition of employment mobility; could it mean that a contractor could bring his/her work force with him/her? Also, there may be differences between employment mobility between trades and the professional service. It was suggested that perhaps a national perspective would be better suited for the mobility question.

The Canadian Federation of Labour and trade unions are receptive to cooperating and working with management in furthering the economy of the region. Unions are realizing money comes from business--there is a greater willingness to work with management.

With respect to the question of cooperation among and across levels of government, there has to be a realization that government departments and agencies have mandates promoting their own jurisdictions, and that a deep-seated sense of competition which currently exists in the government bureaucracy must be overcome. The broader concept of cooperation in being competitive--individually and as a collective--has to be pushed. To quote one of the participants, "The problems we face are unsolvable by any one player."

Government will have to communicate to the public why their tax dollars are being used on a regional basis.

Generally, we have taken a US industrial model and attempted to fit to a smaller resource/sea faring oriented province(s). Cooperative styles of competitiveness may provide a greater fit for the regions--they are more flexible, they are stable, they use different employee/management relationships.

There is a greater role cooperatives and credit unions can play, assuming current legislative and regulatory infrastructure is changed to allow a greater role.

The non-government sector has to organize and begin to take the lead on the initiative; currently, government is out in front. The non-government sector has to forge an alliance which government will find irresistible; differing interests must get together to develop a game plan and then take the plan to government for empowerment. Government must empower non-government organizations with the responsibility for driving the initiatives. The general question is how to link the top down Council of Maritime Premiers' document with the bottom up approach/movement. There is a need for an organization or coalition of non-government interests to assume responsibility for furthering the initiative and for government to set the climate for necessary change.

In conclusion, participants agreed that there is a need for an effective public communications program to communicate the initiative.

Also, participants felt more meetings like this should take place and that initiatives should not move ahead until there have been a few more meetings. While the media suggests the public is tired of consultations, this is not necessarily true--the key is follow up.

Infrastructure

Note: Infrastructure was defined as being all inclusive, from roads to technological development; from people to the roles of municipal governments.

Discussion by the "infrastructure group" was focused by the following issues:

- Standards and mobility for labour and professionals.
- Regulations and licensing requirements.
- Harmonization of purchasing and of business programs.
- Joint health care delivery.
- The roles of provincial and municipal governments; do we need a regional government?

Based on these issues, participants identified the following general conclusions/principles.

In any type of new economic cooperation, government will still hold the purse strings. Infrastructure expenditure has created a forced tension between government moving away from direct intervention to a need for more government involvement. Infrastructure expenditures create forced choices. The region must collectively gear expenditures to the financial resources we have. There is also a need for a model to share throughout the region the efficiencies achieved through regional cooperation (both in terms of cost reductions and other benefits).

Infrastructure expenditure policy has to be linked with trade policy. Whatever we do collectively in infrastructure planning must be linked with trade both within the region and external to the region. Any considerations of energy and transportation projects should be reviewed under the standards in the Sustainable Development Strategy.

Transportation has to serve current and future needs. A regional transportation strategy should be developed, including a full impact analysis which considers the impacts on environment, safety, lifestyle, tourism, vehicle maintenance, and abutting properties.

Modes of transportation should not be developed in isolation. Consideration should be given to all modes--rail, road, water, and air--with a view to selecting the best features from each.

Participants identified a need for a transportation link with the New England States.

Health and education present the most major issues facing the region. These two areas must have a better-defined model, more attuned to government than perhaps other areas. There must be a fundamental change in thinking on health and education expenditure--new models are needed at the regional level within our ability to pay. For health, the focus should be on prevention. There is a need to promote healthy communities. For education, the focus must be on changing the model. It will be necessary to seek out the optimum features of the education and health care (community care) systems in the Maritime provinces, and apply the higher norm on a regional basis, with the provision that the process involve public participation.

The Maritime Provinces Higher Education Commission should be given more authority to examine the logistics and design of the education system in the region.

There is a need for standardization among the provinces in such areas as the transferability of credits.

It was felt that pressure should be kept on the process of rationalization of universities.

Partnerships between education and professionals/industry are to be encouraged, to enhance the ability of the education system to meet industry needs.

The Maritime provinces should maintain and build on the system of cooperation developed over many years among Maritime utilities. Efforts should continue to examine ways of minimizing the costs of new generation facilities, projected to be needed after the year 2000. Utilities should look at the potential for savings under a joint Demand Side Management Program. Consideration should be given to a greater use of private power production.

In the tele-communications field, there are impediments at provincial borders which should be removed. It was noted that a higher rate is charged for using tele-communications services between border areas, impacting users close to the border. In looking at the global marketplace, we must move to US long distance rates in Atlantic Canada. It was felt that employers should be encouraged to make innovative arrangements with employees to enable them to work from home with phone, computer, fax links to the business. The key to the information age is to facilitate the use of the hardware which individuals already own.

Investment

Discussion by the "investment" group was focused by the following issues:

- Access to equity capital.
- Pension fund management.
- Securities regulations.
- The roles of cooperatives and credit unions.

They also considered how our limited resources should be spent on:

- people;
- economic development; and
- the environment.

On the basis of these issues, the participants came to the following general conclusions/ principles:

We need an investment fund similar to the Quebec "Solidarity Fund" which is simple to access and in increments of $25,000. We need to build on our strengths and allow small businesses easier access to equity capital, rather than the process big businesses must follow for accessing large amounts of equity.

Low interest loans must replace grants to business--governments must get out of the grant business.

We need to access NEW money with possible investments that might otherwise be directed into RRSPs or other investment firms out of our region.

Administration of government-funded investment programs must be de-politicized and community based with private sector non-government boards; i.e., credit unions.

The idea of tax rebates for investing in Maritime companies, solidarity funds, and credit unions should be developed.

Assistance is needed in market intelligence, design of products/services to meet market needs. Funds need to be available for developing new ideas (i.e. research and development); government has a role here.

We subscribe to regional integration, but some investment opportunities may require "clustering" in established centres; also, a definition of provincial roles will be required.

Investment in the broader context, i.e. investing in knowledge and in the training of people, builds on our strengths. In other words, investing in our future.

In conclusion, participants felt there must be an overall attitudinal change and adjustments made which reflect a long-term planning process.

APPENDIX

MARITIME ECONOMIC COOPERATION ACT

REMARKS BY EMERY M. FANJOY - Secretary to the Council of Maritime Premiers

GROUP REPORTS

- **I** **Well Being**
- **II** **Competitiveness**
- **III** **Infrastructure**
- **IV** **Investment**

LIST OF PARTICIPANTS

BILL NO.

Government Bill

2nd Session, 55th General Assembly
Nova Scotia
41 Elizabeth II, 1992

Maritime Economic Cooperation Act

The Honourable Thomas J. McInnis
Deputy Premier

Halifax
Printed by Queen's Printer for Nova Scotia

Maritime Economic Cooperation Act

Be it enacted by the Governor and Assembly as follows:

1 The purpose of this Act is to set out the commitment by the governments of the Maritime Provinces to closer economic cooperation with the objective of achieving economic self-reliance for the Maritime Provinces and thereby improving the well-being and prosperity of the people living in the Maritime Provinces.

2 In this Act, "Maritime Provinces" means the Province of Nova Scotia, the Province of New Brunswick and the Province of Prince Edward Island.

MARITIME COOPERATION

3 (1) In future actions that affect the economy of the Maritime Provinces, the governments of the Maritime Provinces are to be guided by the following principles:

(a) maintain the authority of each government and legislature;

(b) protect and enhance the right of all residents of the Maritime Provinces to participate fully in the Maritime economy regardless of language and geographic location and in accordance with the *Human Rights Act*;

(c) protect and enhance the linguistic rights and cultural identities of the people of the Maritime Provinces;

(d) meet the needs of future generations by following the principles of sustainable development; and

(e) work together for a strong and united Canada.

(2) The governments of the Maritime Provinces are to cooperate in pursuit of the following strategic goals:

(a) remove barriers that impede the mobility of goods, services, people and capital so as to establish a single Maritime market;

(b) create a more competitive and entrepreneurial business environment;

(c) increase the self-reliance of businesses and individuals;

(d) improve transportation, communications, energy, education, health and other infrastructure;

(e) establish or maintain high standards of occupational health, safety and labour practices;

(f) protect and enhance the environment and ensure the wise use of natural resources; and

(g) take any other measures to improve the prosperity of the Maritime Provinces and the well-being of the residents of those Provinces.

4 Decisions may be taken pursuant to this Act by two or by three of the governments of the Maritime Provinces and where taken by only two of the governments they are only binding on those two governments.

5 Decisions taken pursuant to this Act are to be implemented by the governments of the Maritime Provinces or their agencies according to agreed arrangements or, on behalf of the governments, by a regional agency.

6 Decisions taken pursuant to this Act are to be effected by the governments of the Maritime Provinces either in a coordinated manner through compatible legislation or regulations, or both, or in a uniform manner by amendment to this Act.

GENERAL

7 The Province agrees not to adopt measures that are contrary to the purpose, principles and strategic goals of this Act.

8 Any resident of the Maritime Provinces has the right to communicate with and receive service in English and French from any institution established specifically in pursuance of the purpose, principles and strategic goals of this Act.

9 It is the declared intention that this Act or any part of this Act shall remain in force until repealed by one or more of the legislatures of the Maritime Provinces and a legislature intending to repeal this Act or a part thereof shall give at least one year's notice of the intention to repeal this Act or a part thereof.

10 This Act comes into force on and not before such day as the Governor in Council orders and declares by proclamation.

BILL NO.

Maritime Economic Cooperation Act

1st Reading:

2nd Reading:

C.W.H.:

3rd Reading:

The Honourable Thomas J. McInnis
Deputy Premier

1992

REMARKS TO
VOLUNTARY PLANNING CONFERENCE

HALIFAX, N.S.
MAY 11, 1992

EMERY M. FANJOY
SECRETARY TO COUNCIL
COUNCIL OF MARITIME PREMIERS

"MARITIME ECONOMIC COOPERATION: AN UPDATE AND OUTLOOK"

(NOTE: THE SECTIONS ON "BORDERS" AND "SCALE" WERE NOT DELIVERED AS PREPARED DUE TO A LACK OF TIME.)

OPENING

- WILL UPDATE YOU ON THE ECONOMIC INITIATIVE OF THE COUNCIL OF MARITIME PREMIERS

- OFFER SOME FOOD FOR THOUGHT AS YOU GO TO YOUR WORKSHOPS

USUAL CAVEAT THAT MY REMARKS ARE MY OWN AND NOT NECESSARILY OFFICIAL OPINIONS OF THE COUNCIL.

I WILL FOCUS MY REMARKS, EXCEPT WHERE INDICATED, ON NOVA SCOTIANS AND ON YOUR GOVERNMENT. BUT I WOULD SAY THE SAME THINGS IN THE OTHER TWO PROVINCES IF I WAS SPEAKING THERE TODAY.

VOLUNTARY PLANNING HAS RECENTLY COMPLETED A REMARKABLE PROJECT - TO DEVELOP THE NEW ECONOMIC STRATEGY FOR THE PROVINCE. IT HAS BEEN ACCEPTED BY THE GOVERNMENT OF NOVA SCOTIA AND IS NOW ONE PART OF THEIR ECONOMIC STRATEGY.

ANOTHER PART IS DESCRIBED IN CHALLENGE AND OPPORTUNITY, IN THE DECISIONS OF THE FORUM OF MARITIME CABINETS LAST JUNE AND IN THE LEGISLATION I EXPECT WILL BE INTRODUCED IN YOUR LEGISLATURE VERY SOON.

THAT IS THE FIRST THOUGHT I PUT TO YOU FOR YOUR TASK TODAY - TO SEE THE VOLUNTARY PLANNING INITIATIVE AND THE COUNCIL INITIATIVE AS TWO PARTS OF A WHOLE.

WHY IS THAT SO? THE SIMPLE REASON IS THAT EVERYTHING THE COUNCIL DOES IS AGREED BY YOUR PREMIER BECAUSE HE IS ONE OF THE THREE MEMBERS OF THE COUNCIL. DECISIONS OF THE COUNCIL EXPRESS THE VISION AND WILL OF THOSE THREE PEOPLE. WHERE APPROPRIATE, THE THREE GOVERNMENTS ARE REQUESTED BY THE PREMIERS TO MAKE THE DECISIONS.

GIVEN THAT, POLICY STATEMENTS OF THE COUNCIL OF MARITIME PREMIERS ARE INHERENTLY THOSE OF YOUR GOVERNMENT. PLEASE NOTE THAT POLICY STATEMENTS OF THE COUNCIL ARE NOT REGIONAL POLICIES BUT ARE REGION-WIDE POLICIES OR TRI-PROVINCE POLICIES. THE MARITIMES IS NOT A SOVEREIGN ENTITY AND SO DOES NOT MAKE LAWS OR HAVE POLICIES. THERE CAN BE NO MARITIME POLICIES THAT ARE NOT PROVINCIAL POLICIES.

IN THIS SPRING OF 1992, NOVA SCOTIANS HAVE TWO POLICY DOCUMENTS ON THE ECONOMY. THE GOVERNMENT IS COMMITTED TO BOTH OF THEM, AND WORK IS UNDERWAY TO IMPLEMENT THEM.

NOT SURPRISINGLY, THE TWO INITIATIVES ARE QUITE SIMILAR. THEY AGREE ON THE PROBLEMS FACING THE PROVINCE, THEIR LONG-TERM NATURE AND THEIR SERIOUSNESS. THE TWO VISIONS AND SETS OF CORE VALUES, CALLED GOALS AND PRINCIPLES IN CHALLENGE AND OPPORTUNITY, ARE EITHER IDENTICAL, COMPATIBLE OR COMPLEMENTARY.

THEY BOTH CALL FOR CHANGE, GREATER CHANGE THAN OUR SOCIETIES ARE USED TO ACCEPTING QUICKLY - CHANGES IN ATTITUDES, IN BEHAVIOUR, RESPONSIBILITY, ROLES, EXPECTATIONS, AND IN PUBLIC POLICY AND PRACTICE.

BOTH INITIATIVES ARE AT RELATIVELY THE SAME POINT IN THEIR LIVES, SOMEWHERE BETWEEN CHILDHOOD AND ADOLESCENCE. THEIR FUTURE IS BEFORE THEM. IT WILL TAKE YEARS TO FULLY IMPLEMENT THE PROPOSALS.

AND THE PROPOSALS WILL UNLIKELY BE IMPLEMENTED IN TOTAL AS VISUALIZED TODAY. THERE WILL BE NEW INFORMATION, CHANGES IN THE EXTERNAL ENVIRONMENT, ALTERED GOALS, NEW POLICY OPTIONS AND COMPROMISES WITH OTHER STAKEHOLDERS DURING NEGOTIATIONS.

IT WILL NOT BE EASY TO SELL THE REQUIRED CHANGES. AND IT WILL TAKE TIME FOR THE CHANGES TO TAKE ROOT, EVEN IF SOLD SUCCESSFULLY. THE INITIATIVES WILL DEMAND COURAGE, PATIENCE, SENSITIVITY AND DETERMINATION, SUSTAINED OVER A NUMBER OF YEARS, BY LEADERS IN ALL KEY SECTORS. AND THE CHANGES WILL REQUIRE POPULAR SUPPORT TO SUCCEED.

I HOPE THAT THIS MEETING, AND THE REPORT ON CHALLENGE AND OPPORTUNITY FROM VOLUNTARY PLANNING TO THE PREMIER LATER THIS MONTH, WILL SIGNAL THE START OF A CLOSE RELATIONSHIP BETWEEN THE TWO INITIATIVES, AS PEOPLE MOVE TO IMPLEMENT THEM. THAT IS IMPORTANT TO ACHIEVING THE GOALS SET OUT IN BOTH DOCUMENTS.

OVERVIEW OF MEI

I ASSUME THAT YOU HAVE SCANNED THE MATERIAL PROVIDED TO YOU ON THE MARITIME ECONOMIC INITIATIVE AND ARE GENERALLY FAMILIAR WITH THE CONTENTS OF CHALLENGE AND OPPORTUNITY AND OF STANDING UP TO

THE FUTURE: THE MARITIMES IN THE 1990'S, THE STUDY DONE FOR THE COUNCIL BY DR. CHARLES MCMILLAN IN 1989. PLEASE ASK STAFF IF YOU DO NOT HAVE A COPY OF EITHER DOCUMENT AND WISH TO HAVE ONE.

ONE DISTINGUISHING CHARACTERISTIC OF THIS INITIATIVE COMPARED TO THOSE IN THE PREVIOUS 20 YEARS OF COOPERATION IS THAT IT IS STRATEGIC. IT IS FOCUSSED FORMALLY ON LONG-TERM CHANGE.

ANOTHER UNIQUE ASPECT OF THE INITIATIVE, COMPARED TO PREVIOUS ONES IS ITS TOP-DOWN NATURE - BOTH IN THE LEADERSHIP ROLE OF THE PREMIERS AND IN DECISION-MAKING BASED ON A GENERAL VISION AND GENERAL GOALS BEFORE COMING DOWN TO SPECIFICS. PREVIOUS MAJOR NEGOTIATIONS, FOR EXAMPLE THE ONE TO CREATE THE MARITIME ENERGY CORPORATION ABOUT 12 YEARS AGO, WERE STRATEGIC WITHIN THAT SECTOR BUT THERE WERE NO GOALS BEYOND THE ONES FOR THE SECTOR - NO LARGER CONTEXT FOR THE NEGOTIATION. AT THIS TIME, ALL SPECIFIC SECTOR NEGOTIATIONS ARE IN THE LARGER CONTEXT.

THE GOVERNMENTS HAVE HAD A VERY BUSY YEAR ON THE MARITIME INITIATIVE SINCE CHALLENGE AND OPPORTUNITY WAS ISSUED A YEAR AGO AND THE THREE CABINETS - 46 MINISTERS PLUS THE PREMIERS - MET IN MONCTON FOR TWO DAYS LAST JUNE. TENS OF REPORTS HAVE BEEN PREPARED BY COMMITTEES OF LINE MINISTERS AND OFFICIALS OF THE THREE GOVERNMENTS, AND IN A FEW CASES, OF FOUR GOVERNMENTS. PROGRESS VARIES. SOME RECOMMENDATIONS FOR CHANGE ARE BEING IMPLEMENTED. SOME RECOMMENDATIONS FOR NO CHANGE HAVE BEEN ACCEPTED. OTHER RECOMMENDATIONS ARE STILL BEING CONSIDERED.

A REGIONAL REGIME IS IN PLACE ON GOVERNMENT LOANS FOR THE CONSTRUCTION OF FISHING BOATS. THE MARITIME PROCUREMENT AGREEMENT HAS BEEN FURTHER STRENGTHENED. THE ATLANTIC ONE SHOULD BE SIGNED SHORTLY AND BE IN EFFECT ON JUNE 30 THIS YEAR. SEVERAL OTHER MATTERS ARE AT AN ADVANCED STAGE OF NEGOTIATION.

PLEASE NOTE PAGE FOUR OF THE BACKGROUNDER, LISTING 29 SECTORS. WITHIN THOSE SECTORS, THERE ARE ABOUT 150 SPECIFIC MATTERS BEING CONSIDERED. THERE IS NOT TIME TO SUMMARIZE THE STATUS OF ALL OF THEM. FURTHER, IT IS MORE IMPORTANT THAT YOU COME UP WITH YOUR OWN IDEAS TO MEET THE GENERAL GOALS IN THE SECTORS WITH WHICH YOU ARE FAMILIAR.

THE THREE CABINETS WILL MEET FOR THE SECOND TIME, IN HALIFAX ON JUNE 29 AND 30. I EXPECT THAT MARITIMERS WILL BE SATISFIED WITH THE REPORT OF ACHIEVEMENTS FOR YEAR 1 THAT WILL BE MADE THEN.

FRAMEWORK LEGISLATION TO GUIDE THE INITIATIVE HAS BEEN INTRODUCED (PASSED) IN THE P.E.I. LEGISLATURE AND WILL BE INTRODUCED IN THE NOVA SCOTIA AND NEW BRUNSWICK LEGISLATURES IMMINENTLY. IT IS A CRITICAL COMPONENT OF THE INITIATIVE. IT SETS THE STRATEGIC GOALS, THE GUIDING PRINCIPLES AND THE DECISION-MAKING FRAMEWORK.

THE MARITIME PREMIERS HAVE SET THE VISION AND GENERAL GOALS. BUT THEY CANNOT BE INVOLVED IN EVERYTHING. IN GENERAL, THE PREMIERS HAVE GIVEN THEIR LINE MINISTRIES AN OPPORTUNITY TO ACT ON OR TO ADVANCE IDEAS FOR REGIONAL COOPERATION IN THEIR SECTORS. THE REACTION TO THE OPPORTUNITY VARIES, DEPENDING ON THE HISTORY OF COOPERATION AMONG THE MINISTRIES, THE PERSONALITIES INVOLVED, THE DEGREE OF COMPATIBILITY OF PRESENT POLICIES, THE ATTITUDES OF INTEREST GROUPS TOWARD PRESENT POLICIES, THE PERCEIVED NEED FOR POLICY CHANGE PLUS GENERAL ATTITUDES TOWARD COOPERATION WITH THE OTHER GOVERNMENTS IN THE REGION.

YOU ARE REPRESENTATIVES OF THE KEY SECTORS OF THE NOVA SCOTIA ECONOMY. TODAY IS AN IMPORTANT OPPORTUNITY FOR YOU TO ADVANCE TO YOUR PREMIER AND GOVERNMENT WHAT YOU THINK SHOULD BE DONE IN COOPERATION WITH THE OTHER MARITIME OR ATLANTIC GOVERNMENTS.

YOU WILL BE INTERESTED IN THE GENERAL CONSULTATION PROCESSES IN THE OTHER PROVINCES. PRINCE EDWARD ISLAND HAD A SELECT COMMITTEE OF THE LEGISLATURE ON MARITIME ECONOMIC INTEGRATION, WHICH REPORTED IN JANUARY. IT MADE 13 RECOMMENDATIONS, WITH THE FIRST ONE BEING (QUOTE) "YOUR COMMITTEE ENDORSES THE INITIATIVES WHICH HAVE BEEN ACHIEVED BY THE THREE MARITIME PREMIERS IN THE AREA OF MARITIME ECONOMIC INTEGRATION." (UNQUOTE)

IN NEW BRUNSWICK, THE SELECT COMMITTEE ON MARITIME ECONOMIC UNION, NOTE THE DIFFERENT NAME, STARTED ITS WORK IN MARCH AND MUST REPORT THIS MONTH. IT HAS HAD TWO DAYS OF HEARINGS. I AM PLEASED AT WHAT I HAVE READ IN THE NEWSPAPERS ON SUBMISSIONS TO THE COMMITTEE AND LOOK FORWARD TO READING THE SUBMISSIONS THEMSELVES AND TO THE COMMITTEE'S REPORT.

FRANCOPHONES MAKE UP ABOUT 1/3 OF THE POPULATION OF NEW BRUNSWICK - OVER 250,000 RESIDENTS. THEY MIGHT NATURALLY BE NERVOUS ABOUT THE INITIATIVE, SEEING THE POSSIBILITY OF 1/3 BEING REDUCED TO ABOUT 16%, IF POLITICAL UNION WERE TO HAPPEN. I AM PLEASED THAT TWO LARGE AND INFLUENTIAL FRANCOPHONE GROUPS IN THAT PROVINCE HAVE COME OUT IN FAVOUR OF THE INITIATIVE, THE C.E.N.B. AND LE M.C.A. THEIR SUPPORT IS CONDITIONAL ON REASONABLE GUARANTEES ON LANGUAGE AND CULTURE.

AS OF LAST MAY, NEWFOUNDLAND HAS HAD THE RIGHT TO HAVE AN OBSERVER ON EACH COMMITTEE OF ITS CHOICE, AND HAS DONE SO IN MOST CASES, INCLUDING ALL CENTRAL COMMITTEES. SINCE THEN, THREE POLICY AREAS HAVE BECOME ATLANTIC THAT PREVIOUSLY WERE MARITIME - GOVERNMENT PROCUREMENT, HEALTH AND SECURITIES REGULATION. THE MARITIME PREMIERS CONTINUE TO BE OPEN-MINDED ABOUT NEWFOUNDLAND PLAYING A GREATER ROLE IN THE INITIATIVE AND THAT CAN HAPPEN AT THE PACE DESIRED BY THAT PROVINCE.

AN INITIATIVE TOWARD THE GOVERNMENT OF QUEBEC IS UNDERWAY AND THE REACTION OF THAT GOVERNMENT TO CLOSER COOPERATION WITH THE

MARITIMES WAS POSITIVE. THE INITIATIVE IS SOMEWHAT CAUGHT UP IN THE CONSTITUTIONAL NEGOTIATIONS AND SO IS MOVING SLOWLY.

BORDERS

SINCE THE THREE SEPARATE COLONIES WERE CREATED, NEARLY ALL BEHAVIOUR OF RESIDENTS HAS BEEN PROVINCE-CENTRED WHEN NOT NATION-CENTRED.

THE VOLUNTARY PLANNING DOCUMENT, FOR EXAMPLE, IS TO RALLY "TEAM NOVA SCOTIA" TO WIN THE ECONOMIC GAME, WITH ALL SECTORS IN SOCIETY AS PART OF THE TEAM. THE BORDERS OF THE JURISDICTION DEFINE THE TEAM BECAUSE VOLUNTARY PLANNING IS LINKED TO THE GOVERNMENT.

BORDERS ARE FUNDAMENTAL TO THE EXISTENCE OF GOVERNMENTS. BUT BORDERS ARE A BARRIER OR SIMPLY AN EXTERNAL "GIVEN" TO THE WEALTH-CREATING SECTOR.

THE MARITIME INITIATIVE, AT ITS CORE, CHALLENGES THE NOTION OF BORDERS. IT ASKS PEOPLE, IN THE PUBLIC AND PRIVATE SECTORS, TO THINK BIGGER THAN THEY HAVE BEEN DOING. THE PSYCHOLOGICAL EFFECT OF DOING SO CAN BE PART OF THE SOLUTION BY ITSELF - IT STRETCHES THE MIND.

- PICK ANY POLICY AREA. GO THROUGH A BRAINSTORMING EXERCISE USING THE ASSUMPTION THAT THERE ARE NO BORDERS WITHIN THE MARITIMES. ONE MAY BE SURPRISED AT THE IDEAS AND POSSIBILITIES THAT OPEN UP. REMEMBER THE PROVERB, "ONLY BY EXAMINING THE SEEMINGLY IMPOSSIBLE CAN THE LIMITS OF THE POSSIBLE BE DISCOVERED."

- YOU MIGHT SAY THAT THE MARITIME APPROACH ONLY MOVES THE BORDERS. THAT IS PARTLY TRUE BUT MISSES THE POINT THAT THE MARITIME APPROACH HAS OUTREACH OBJECTIVES TO NEWFOUNDLAND AND QUEBEC. ALSO, THAT IT IS BASED ON REDUCING RELIANCE ON GOVERNMENT, WHICH IS AN ANTI-BORDERS GOAL.

THE MARITIME INITIATIVE DOES NOT ASSUME THAT EVERYTHING MUST BE DONE ON A THREE-PROVINCE BASIS. IT ASSUMES THAT THE OPTIMUM APPROACH VARIES WITH THE SECTOR AND THE SPECIFIC POLICY AREA. SOME MATTERS MAY BE BEST DONE BY EACH PROVINCE ALONE. OTHER MATTERS MAY BE DONE BY TWO PROVINCES, OR THREE OR MORE.

SCALE AND CRITICAL MASS

WHY HAVE THE TWELVE GOVERNMENTS OF WESTERN EUROPE CREATED AND BUILT THE EUROPEAN COMMUNITY? WHY DO GERMANY, FRANCE AND BRITAIN, THREE LARGE AND POWERFUL INDUSTRIAL COUNTRIES, INTEGRATE THEIR ECONOMIES? WHY DO THEIR TINY NEIGHBOURS - DENMARK,

LUXEMBOURG AND BELGIUM - PARTICIPATE AT THE SAME TABLE WITH THOSE GIANTS?

THE ANSWER IS SCALE. EACH OF THE TWELVE COUNTRIES HAS DECIDED THAT IT IS TOO SMALL ALONE TO COMPETE EFFECTIVELY IN THE GLOBAL ECONOMY.

PLEASE ASK YOURSELF TO WHAT DEGREE, THROUGHOUT THE VOLUNTARY PLANNING PROCESS THE LAST THREE YEARS, YOU DEBATED WHETHER NOVA SCOTIA HAD THE HUMAN, FISCAL AND NATURAL RESOURCES TO IMPLEMENT YOUR VISION. AS WE FACE THE FUTURE FROM 1992, WILL NOVA SCOTIA BE ABLE TO DO ALONE WHAT VOLUNTARY PLANNING PROPOSES, GIVEN THE NATIONAL AND PROVINCIAL FISCAL SITUATIONS AND DEBT, THE LIMITATIONS OF OUR SCALE AND THE DIFFICULTY OF SELLING POLICY CHANGE GENERALLY?

AS CREATING OUR OWN FUTURE POINTED OUT SO WELL, SUCCESS AND PROSPERITY WILL COME FROM USING THE LEVERS FOR COMPETITIVE SUCCESS EFFECTIVELY RATHER THAN FROM ERECTING BARRIERS. HOW MANY OF THOSE LEVERS ASSUME, OR DEMAND, A SCALE OF OPERATIONS NOT EASILY WITHIN THE SCOPE OF THE PROVINCE - THE SIZE OF THE HOME MARKET FOR OUR BUSINESSES, EFFECTIVE EDUCATION POLICIES AND PROGRAMS IN THE THREE SYSTEMS, SOURCES OF VENTURE CAPITAL AND OPPORTUNITIES FOR INVESTMENT, INFLUENCE IN OTTAWA AND SO ON.

IN OUR REGION OF 1.8 MILLION MARITIMERS OR 2.3 MILLION ATLANTIC CANADIANS, THE DEMAND FOR SCALE - FOR CRITICAL MASS - HAS BROUGHT US TOGETHER IN MANY JOINT ACTIVITIES OVER THE YEARS.

FOR YOU TODAY, BY LOOKING AT THE CHALLENGES AND OPPORTUNITIES WE FACE FROM THE REGIONAL PERSPECTIVE, BETTER SOLUTIONS MAY BECOME EVIDENT, MORE OPTIONS MAY BE PRESENTED, THE CHANCES OF SUCCESS MAY BE GREATER. THERE HAS NEVER BEEN A BETTER TIME FOR REGIONAL SOLUTIONS TO BE ACCEPTED THAN RIGHT NOW.

OUTLOOK

IT WOULD BE FOOLHARDY FOR ME TO PREDICT THE OUTCOME OF THE MARITIME INITIATIVE. ITS POTENTIAL IS HIGH. BUT THAT IS, OF COURSE, DEPENDENT ON SEVERAL FACTORS:

- THE EXTERNAL FORCES ACTING ON OUR REGION

- THE SHARED VISIONS AND PERSONALITIES OF THE THREE PREMIERS, THEIR MINISTERS AND THEIR ADVISERS; AND

- THE POLITICAL ENVIRONMENT THAT INFLUENCES PUBLIC POLICIES AND PRIORITIES IN EACH PROVINCE

IF KEY GROUPS AND OPINION LEADERS OPPOSE THIS INITIATIVE, THEIR VIEWS WILL CARRY A LOT OF WEIGHT. THE OPTION OF THE STATUS QUO,

THAT IS THE APPROACH CENTRED ON THE PROVINCE, IS LEGITIMATE, ATTRACTIVE AND COMFORTABLE TO MANY PEOPLE. THIS APPROACH MAY DOMINATE UNLESS KEY PEOPLE LIKE YOU ACCEPT DR. MCMILLAN'S VIEW, SHARED BY MANY OTHERS, THAT THE STATUS QUO IS NO LONGER VIABLE.

HOWEVER, IF KEY GROUPS AND OPINION LEADERS ARE CONVINCED THAT CHANGE IS NECESSARY, AND THAT THE MARITIME INITIATIVE IS THE OPTION TO FOLLOW - AND I REMIND YOU THAT THE ONLY OPTIONS ARE TO GO-IT-ALONE OR REGIONAL COOPERATION - IT IS CLEAR THAT CHANGE CAN HAPPEN MORE QUICKLY AND MORE SMOOTHLY. WHAT IT TAKES IS SHARED VISION, CONFIDENCE AND WILL.

LET ME LEAVE YOU WITH TWO PROVERBS ON MOUNTAINS THAT RELATE TO YOUR TASK TODAY:

- THE PERSON WHO REMOVED THE MOUNTAIN BEGAN BY CARRYING AWAY SMALL STONES.

- ONE WAY TO GET HIGH BLOOD PRESSURE IS TO GO MOUNTAIN CLIMBING OVER MOLE HILLS.

GOOD LUCK.

GROUP REPORTS

WELL BEING

COMPETITIVENESS

INFRASTRUCTURE

INVESTMENT

GROUP REPORTS

I WELL BEING

MORNING SESSION

The Well Being group developed 10 core principles necessary for well being in the context of Maritime Economic Cooperation.

- Equality for people within the region will require special measures, especially in more disadvantaged areas.
- Full employment in meaningful jobs is essential for well being.
- Appropriate standards of education, health; the right to food and shelter must be a core principle.
- Full empowerment of communities and individuals with appropriate resources, training and information.
- Access to information, particularly government information.
- Sharing of research and planning analysis.
- Achieve goals through reallocation and realignment of priorities and resources to non-government organizations at appropriate levels.
- More interdepartmental coordination and collaboration.
- Ongoing evaluation to measure outcomes to audit for adjustment.
- Innovative society; education to focus on flexible specialization.

Well being is employment, freedom, harmony, and incorporates education, health care, community development, needs of minorities, seniors, women, and the poor.

Well being, rather than competitiveness, should be at the core of Maritime Economic Cooperation.

Equality was determined to be basic to well being. The group recognized that inequalities in different parts of the region (i.e. coastal communities versus Halifax) means that special efforts must be made in some areas to ensure that standards of education, health, food, and shelter are met.

Some participants questioned the political will with respect to integration. It seems that governments are asking others to rationalize, but there does not appear to be an effort by governments to do the same. A lack of political leadership will impact on well being issues.

One participant stated that the way to achieve well being is through full employment. Giving meaning to people's lives must be the top priority. This view was emphasised by another participant who noted that, in order to be productive, people must have self-esteem. This self-esteem comes from having a job--being useful. It was said that Nova Scotia has the highest suicide rate in Canada among 19 to 25 year old males. This was attributed to low self-esteem and lack of jobs.

"If it is important to standardize casinos, it is also important to equally share food, clothing, shelter."

Government

- There must be access to government information.
- Governments must share research, planning, and analysis information and knowledge.
- Achieve goals through reorganization and realignment of priorities and resources to non-government organizations at appropriate levels.
- On-going evaluation to measure effectiveness of programs and audit for adjustment.
- Create an innovative society with flexible specialization, rather than educating for a changeable job market.
- Too often school and hospital construction have been used for political gain.

Health

Health care deliverers have to have cooperation. All hospitals do not need all services. Political power must move to the community level. The task force on municipal government was said to contravene this by taking community involvement out of community development issues and leaving the municipalities to fix the roads. People must define the services they need and how those services will be provided.

We must focus on community health rather than illness.

Governments are downloading responsibility for well being, but are not providing the funding, the information, or the education for smaller units to deal with them. Government sees itself in an adversarial position and will not share information. Statistics on suicide are available, but are not being shared so that communities can develop a response to the issue.

Redistribution and reorganization can be made with the resources currently available. The resources exist, but they must be redeployed and depoliticized. Further investment could be encouraged by changing the credit union legislation to allow them to invest in the region. Privatization can be to not-for-profit organizations.

Education

- Education and curriculum must be standardized.

- Low achievement stems from economic problems.

AFTERNOON SESSION

Economic Development

In any discussion about economic development, well being is always close to the surface. The two are interwoven and cannot be considered separately. Economic development is for the purpose of well being, well being is needed to improve economic development.

It was suggested that pilot projects be developed between two communities within the Maritimes to reduce costs, increase efficiency, and look at how well being can be basic to economic development.

Government

- Reiteration that money is available for education and health care--it needs to be reallocated.

- Money is pumped into the system, but there is no analysis of the effectiveness of the expenditures.

- Maritime Economic Cooperation can lead to more definable standards against which to measure results.

- If, under Maritime Economic Cooperation, economies of scale can be gained, it will provide an umbrella to develop ideas and plans.

- Pooling resources allows us to do things together that we cannot do alone.

- There are 400 employees in three tourism departments. Is this necessary? We have to take more responsibility in maintaining standards and getting rid of inefficiencies in the system. We need a few critical areas of cooperation involving innovation and health care.

Education

The Maritime Provinces Higher Education Commission should have more input into standardizing post-secondary education and eliminating the problems of course recognition between universities. The transfer of credits will save money, provide social and community benefits; as will the use of distance education.

Infrastructure

Are there savings to be made in health and education by integration and will standards be lowered? We must choose the highest standards.

Decisions should be made from the bottom up; i.e. the Truckers Association efforts to standardize regulations.

Health

The process (of Maritime Economic Cooperation) would develop research through an alliance of key players--must determine whether the delivery system is better at the local or the regional level. It was suggested that regional programs be delivered locally.

II COMPETITIVENESS

MORNING SESSION

Prior to engaging in discussion, the Facilitator, Terry Norman, briefly reviewed the issues for discussion and asked whether the group wished to add any items.

The final list of issues for discussion was:

- **Training standards and mobility.**
- **New labour-management relations.**
- **Harmonization of business programs.**
- **The role of cooperatives and credit unions.**
- **Cooperation within the region.**
- **The role/responsibilities of the non-government sector.**
- **More effective and appropriate consultative and education mechanisms.**
- **Additional issues.**

Discussion began with the issue of "the role of cooperatives and credit unions" and proceeded through several of the other issues. Comments made include:

- We have not given enough emphasis to "cooperative styles of competitiveness."
- Generally, we have taken a US industrial model and attempted to fit to a smaller resource/sea faring oriented province(s).
- Cooperative styles of competitiveness may provide a greater fit for the region--they are more flexible, they are stable, they use different employee/management relationships.
- There is a large Canadian contingent developing international expertise using cooperative models in developing countries and we virtually ignore them here.
- Cooperatives represent approximately 10% of the Nova Scotian economy.
- There are several good models in the region; i.e. Northern New Brunswick, Cheticamp, etc.

- The newest type of cooperative is the employment cooperative where members have a stake and ensure/create employment for themselves.

- In 1990-1991, 10 new worker cooperatives were established providing 22 full-time positions at a cost of approximately $1200 per job created, compared to the cost per job of traditional regional development efforts.

- One initiative is to develop Community Cooperative Councils where cooperatives and credit unions can meet to determine the needs of a region and possibly broaden the scope/interests of the cooperatives.

- It was questioned whether cooperatives are disposed to aggressively pursue global markets or if they were more predisposed to regional/local marketing. It was noted that there are examples of cooperative firms undertaking aggressive marketing--Farmers Dairy, for example.

- If cooperatives are used solely in import substitution or some inter-provincial trade, then we are selling them short.

- The Certified General Accountants Association of Nova Scotia, in their submission on Maritime Economic Cooperation to the Government of Nova Scotia, recognizes the potential of cooperatives and suggests the government examine means of allowing cooperatives greater flexibility in how they raise equity.

- We should recognize that our current infrastructure and economic systems do not allow for a greater diversified role by cooperatives--we will have to deal with this reality.

An overview of the above discussion highlights two main themes:

- There is a greater role cooperatives and credit unions can play, particularly if the current legislative and regulatory infrastructure is changed to allow a greater role.

- The broader concept of cooperation in being competitive--individually and as a collective--has to be pushed. To quote one of the participants, "The problems we face are unsolvable by any one player."

In the discussions on "new labour-management relations" and "training standards and mobility," the following comments were made:

(Note labour participation at this session is from the Canadian Federation of Labour and Trade Union representatives.)

- **The Canadian Federation of Labour is very supportive of the Maritime Economic Cooperation initiative.**

- **The Canadian Federation of Labour has developed a Maritime Council with representation from its three provincial councils and has met with the Council of Maritime Premiers.**

- **The Carpenters and Joiners of America meet regularly on a regional basis.**

- **Generally, carpenters have enjoyed a good sense of mobility which, however, does get impacted on in economic downturns. The union is working towards the removal of these barriers to mobility which arise in slower economic times.**

- Unions are realizing money comes from businesses--there is a greater willingness to work with management.

- There is a deep-seated sense of competition in the government bureaucracy.

- There has to be a realization that government departments and agencies have mandates promoting their own jurisdictions.

- Government will have to communicate to the public why their tax dollars are being used on a regional basis.

- We see no public communication strategy.

- Differing interests must get together to develop a game plan, then take the plan to government for empowerment.

- Public policy has moved away from pragmatism and moved into ideology--it should go back to being pragmatic, if it works do it.

- The business sector will have some trouble with cooperation because for years they were told this is collusion.

- The non-government sector has to organize to take over the initiative; government is out in front now. The non-government sector has to forge an alliance which government finds irresistible.

An overview of the discussion highlights four main themes:

- The Canadian Federation of Labour and trade unions are receptive to cooperating and working with management in furthering the economic development of the region.

- Departmental mandates and the commitment of bureaucracy to their respective regions may impede the process.

- The non-government sector has to organize itself and begin to lead government.

- There is a need for a public communication strategy.

The final portion of the morning's discussion centred on the need for a "more effective and appropriate mechanism for consultation."

- While the media suggests the public is tired of consultations, this is not necessarily true--the key is follow up.

- There is a need for an effective public relations program to communicate the initiative.

- There is a need for a "sponsorless" organization to assume responsibility for the initiative.

- It was suggested the Maritime Economic Cooperation has to:

    - be "needs" based;
    - be from the bottom up;
    - have follow up;
    - have a complete package--good rationale and legislation.

- Follow up is the key to getting people involved--in Guysborough, the Community Futures has approximately 80 volunteers in several committees; people volunteer because a task was chosen, accomplished, and followed up. Then they moved to the next task.

The overview of the discussion centred on the need for an organization or coalition of non-government interests to assume responsibility for furthering the initiative and for government to set the climate for necessary change.

AFTERNOON SESSION

The afternoon session began with a brief review of the morning session. Following the review, the floor was opened up for general discussion.

- Tour operators have sold the Maritimes as a region even when the individual departments of tourism were not in favour of this approach.

- Community development should be encouraged, particularly in "one" resource communities.

- There is a need to examine the trade offs involved in cooperative ventures--additional questions include how benefits are distributed and who pays for what.

- With regard to the term "mobility"--in employment mobility--there was concern expressed over the lack of a definition.

- It was suggested that perhaps a national perspective would be better suited for the mobility questions; for example, once a welder received their "ticket," they should be able to work in any province.

- There was concern that where national standards are concerned, there exists a potential for adopting a lower common denominator.

- The province's role in community development is not apparent.

- The province does not have a community development policy.

- Concern was expressed that the more self-reliant one becomes, the greater the tendency to become inward looking--how is a balance achieved?

- The balance question also exists with regard to grass roots participation--there is a need for larger size for organizational efficiencies, but then you lose the grass roots input; if truly grass roots, the potential exists to remain splintered.

- We now need the bottom up approach to drive the Maritime Economic Cooperation process.

- There should be more meetings like this; we would not want the initiatives to move ahead until there have been a few more meetings.

- Let's make sure we understand what the impacts of the initiatives will be to businesses and/or communities.

- It is critical to think globally and act locally. While politicians can drive the "big picture," they do not necessarily know local actions.

- With regard to human resource development, technology transfer, and research and development, universities do not take advantage of existing expertise.

- The critical mass to create centres of excellence is missing.

- The university presidents will not bring about any change--they are more concerned with protecting their "turf."

- Education must have venues for allowing the sharing of successful programs from other provinces.

- We must keep government out of certain areas.

- How can we link the top down with the bottom up--the non-government sector must organize itself to begin driving the top down initiatives.

The overall theme of the afternoon session dealt with empowering non-government organizations with the responsibility for driving the initiatives. Essentially the question was how to link the top down Council of Maritime Premiers' document with the bottom up approach/movement.

III INFRASTRUCTURE

MORNING SESSION

As an introduction to the session, Emery Fanjoy provided the broad definition for infrastructure covered by the Challenge and Opportunity document. The term includes transportation, energy, communications, health, and education. He noted that there is already a positive tradition of Maritime Economic Cooperation at the working level of such aspects of infrastructure as transportation, but such cooperation has not been established in policy. The major issue is the degree to which planning and decision making will be made on an integrated basis in the future, given that infrastructure is now heavily provincially based.

The following points arose in discussion on each of the infrastructure categories:

Transportation

- From a landowner viewpoint, there are issues of expropriation to be considered, and a need for harmony in legislation when dealing with lands being acquired for a highway project.

- There is a need for data on the economic losses if highway upgrading is not carried out to support the argument for work to proceed.

- Highway upgrading issues:

    - full cost accounting--environmental impacts--wisdom/non wisdom of increased traffic flow--the need for alternative modes. Are bigger/better highways the way to go?

    - intermodal competition.

- What is the general goal of transportation--why do we need it?

    - to become gateway to Canada;

    - to put us in a stronger negotiating point with US if Quebec separates.

- We cannot wait to see what happens with constitutional issues before developing transportation policies. We must be proactive. In order to determine the mix we will need in the future, we have to consider what the economic base will be. It is a shifting economic base--may be a movement of services rather than goods.

- In the National Transportation Act, 1987, the Premiers put in legislation that infrastructure is key to economic development. Our discussions should start from that premise.

- Federal priorities are also a vital consideration. Municipalities have been trying for many years to obtain federal assistance for upgrading of municipal infrastructure.

- One of the hopes of Maritime/Atlantic Cooperation is to have the strength in numbers to work in securing federal government assistance for infrastructure projects.

- It is not easy to develop one transportation policy that combines rail and road since each are connected by different government jurisdiction.

- Twinning the Trans-Canada would certainly enhance people movement. It is also a safety issue and improves tourism. Safety issues transcend the economic ones. Highway upgrading has a symbolic value for economic cooperation--highly visible and has benefits for general public. There is an upper limit to tolerance in road expansion--an acceptable limit for increased noise and traffic.

- 100-Series Highway upgrading must also be considered.

- We need a sound economic base in order to bring in investment funds to improve our provincial competitiveness. Existing businesses also need access to national/international markets. There is a need for a coordinated effort on the part of the provinces when dealing with trade policies. There is a need for a better link between trade and infrastructure policies. The region must retain its manufacturing base and collectively market itself.

- If a goal is to remove the barriers, there seems to be a contradiction. We're at a point where government is pulling back, but more government involvement is required to accomplish infrastructure renewal.

- There are federal barriers to the movement of goods to be dealt with; for example, in the moving of agricultural products from province to province.

- Will new infrastructure be developed on existing trade patterns or future prospects? In air transport, east/west trade has been the pattern. In the future, we must look north and south.

- There is a question on how we are going to position Atlantic Canada as part of a global economy. Nova Scotia is a gateway, but we are still 900 miles from the major markets of New York/Montreal. We need to find a way of reaching the markets. If we're exporting intelligence and abilities, we do not need as many trucks. There is tremendous potential for an intermodal transportation system; however, at present the lack of air/sea links is a barrier. The rail line stops short of the Halifax International Airport by two miles. The proposed intermodal terminal facilities have not yet been developed.

- Cost recovery is more defined in the airline industry.

- Some of the concerns expressed re: links between air transport and other modes will be addressed in a forthcoming report of the Task Force on the Port of Halifax.

Health

- There is a fixed pot of dollars for infrastructure. Funds spent on health means it will not be spent somewhere else.

- The well being of the citizenry is harder to quantify. How can you quantify well being in terms of productivity? Trade creates taxes which fund health. Choices for health infrastructure expenditures are made on either reduced costs or increased revenues.

- We have been responding to "illness." Policy should be coming from a "wellness" view point. Although statistics show that illness rates are increasing, the focus on prevention may have made the situation better than it otherwise would have been.

- More dollars is not the answer--changing attitudes is, and effective expenditures.

- There are regulatory barriers in health.

- We should be looking for other examples, like the IWK, where long-term health care could be dealt with on a regional basis--to eliminate barriers and reduce costs.

- There is a need for a private sector advisory mechanism on a regional level to examine the whole preventive mode and community based programs.

- We need a new paradigm or model incorporating health care prevention which is less institutional.

Energy

- In the energy field, regional cooperation has evolved since 1957. There is an ongoing sharing of inventories. The rates paid by customers in each province are quite different because of older plants in some areas.

- The regulatory side will probably dominate in coming years. SO_2 emission levels are set for each province. Putting a large generation plant in one province could place that province in the position of being over its allowable limits, while the other provinces share the benefits of the plant without their emission levels being affected.

- Utilities in the Maritimes have reached a point where new capacity should not be required until after the year 2000 which gives a lot of time for planning.

- Consideration must be given to how the benefits resulting from joint initiatives will be shared by the provinces involved.

- Development of tidal power will probably not occur until the next century.

- The use of offshore gas would require massive infrastructure.

- Other issues are the level of government involvement in utilities versus privatization and independent power production.

- Utilities are now separately implementing programs to achieve efficiencies through reduced demand--Demand Side Management. This is one area where Maritime Economic Cooperation would be effective.

- The global impacts of energy need to be addressed.

- The concern was raised that the Maritime region needs to have an adequate voice in Canada's position on international environmental regulations.

Tele-Communications

- There are significant regulatory problems in this field, with federal/provincial cross over in jurisdiction.

- With good tele-communications systems, there is not a great need to move people.

- Tele-communications ties in with issues raised on trade, transportation, and energy. Expenditures on tele-communications should be considered in relation to trade policies.

- In open competition, consideration must be given to whether there would be common access to the existing infrastructure.

- The Trans-Canada Telephone System is an umbrella organization for all Canadian utilities.

- For cellular phones, borders are not defined on a regional or economic basis. Those living close to the border and making cross border calls are faced with higher costs.

- Tele-communications has a major impact on demographics, allowing more work-at-home situations. This benefits smaller communities. Employers should be encouraged to allow this alternative work situation.

Education

- The Maritime Provinces Higher Education Commission has made significant inroads in such areas as the planning of programs, but is impeded because of a lack of decision-making power.

- A lack of coordination of student aid programs, for example, hinders students moving within the region to attend university.

- The Maritime Provinces Higher Education Commission is a logical organization to carry out further cooperation initiatives.

- The transferability of both high school and post secondary credits from province to province continues to be a problem.

- There are no correlations between the quality of education, and the cost of education infrastructure--i.e. simply increasing expenditures on the present system does not guarantee improved quality.

- The costs of funding education are being pushed down to municipalities and individuals.

- Cost savings could be achieved through a rationalization of programs being offered. Accessibility is an issue; therefore, the goal is not to eliminate all duplication throughout the region, but rather to rationalize the duplication that occurs within a small area; for example, Metro Halifax.

- Training programs must be coordinated with the needs of industry, science, and technology.

- There is a need to rethink the organizational structure of public schools--a need for a shift in the model.

General

- As a general comment, it was noted that our consideration of infrastructure falls into categories set by land-locked thinking. The region is surrounded by oceans. How do they fit into our economy? How do we market this feature as a region? There is a need to develop stats on the impact of the ocean on the Maritime economy.

Principles

The following principles emerged in the morning workshop discussion:

- In any type of new economic cooperation, government will still hold the purse strings. Infrastructure expenditure has created a forced tension between government moving away from direct intervention to a need for more government involvement.

- Infrastructure expenditures create forced choices. The region must collectively gear expenditures to the financial resources we have.

- Infrastructure expenditure policy has to be linked with trade policy. Whatever we do collectively in infrastructure planning must be linked with trade, both within the region and external to the region.

- Health and education present the most major issues facing the region. As massive and important as they are, in terms of a joint structure, these two areas must have a better-defined model, more attuned to government than perhaps other areas. There must be a fundamental change in thinking on health and education expenditure--new models are needed at the regional level, within our ability to pay. For health, the focus should be on prevention. For education, the focus must be on changing the model.

- There is a need for a model to share throughout the region the efficiencies achieved through regional cooperation (both in terms of cost reductions and other benefits).

AFTERNOON SESSION

The afternoon working group discussions built on the issues brought forward in the morning session.

Transportation

- There are rumours that within five years there will be no rail service east of Montreal. How do you advance the retention of rail if that is the thinking?

- Regional voices will need to come out strong in support of retaining the rail service. Rail is an integral part of the movement of goods and services across the province and the country. We shouldn't ignore the positive environmental impact of rail as part of an overall transportation system.

- If new regional infrastructure is to be designed to impact future economic activity, will rail be included? Transportation has to serve current and future needs.

- The working group agreed that it is important to maintain rail service as an alternative to highways with the provision that full cost accounting be done. It is important to look at environmental and social impacts, not just economic.

- The maintenance of highways will be more expensive if we don't have rail, due to increased truck transport.

- We need a transportation link with the New England states. This could lead to a consideration of common licensing.

- We need to look at the strengths of each of the modes of transportation. Many modes have been brought to the point where they are self-sustaining. It is a distortion in the marketplace if a mode has to be subsidized.

- A regional body such as the Atlantic Provinces Transportation Commission should carry out a full impact analysis of the various modes of transportation which could address our needs. In the case of twinning the highways, for example, this would mean looking at the effects on air, noise levels, and loss of agricultural lands.

- **The message to the Maritime Premiers should be to consider:**

  - **The development of a regional transportation structure, including a full impact analysis/full cost accounting. Consideration should be given to the impacts on:**

    - **environment;**
    - **safety;**
    - **lifestyle;**
    - **tourism;**
    - **vehicle maintenance;**
    - **abutting properties.**

  - **Links with the US border.**

  - **All the alternative modes of transportation.**

  - The environmental accord which is about to be accepted by all three Premiers. Anything dealing with energy and transportation should be reviewed under the standards in the Sustainable Development Strategy. The private sector is concerned with the consequences of delays in development as a result of environmental assessments.

  - The Maritime regime must have an adequate voice in Canadian position on international environmental regulations.

Health

- How can we advance the promotion of health rather than dealing with illness?

- Community health care models, such as those in Saskatchewan, have proven very effective. New Brunswick has a home health care program we could learn from. Successful Canadian models should be promoted for development in the Maritimes.

- In Nova Scotia, the Provincial Health Council is a forum which could be expanded to work with the public in other provinces.

- Public consultations are helping change the mindset of the fear of bed closures and the fear of job losses. More public information is needed.

- Health clinics could be set up in hospitals. There will be pressure by physicians against this move.

- The Grace Maternity Hospital is sending women home early. These types of "marginal days" are found in other fields as well, and savings could be achieved. This is an area more acceptable to physicians.

- Physicians are working in partnership with community nurses, allied health organizations.

- Health education has been taken out of schools. If you start to instill good nutrition in schools, this would be a great prevention aid. The pressure should be shifted to health promotion. This has to be a gradual process because of the aging population with health problems which must be addressed.

- There is a need for the promotion of healthy communities, which includes an environmental setting.

- A goal under Maritime Economic Cooperation should be to put together the best features of the community care system in the Maritime provinces and apply it on a regional basis. The same could be said in education. The NIMBY rule applies here.

Education

- There is a need for greater flexibility for students---an ability to transfer credits; a need for standardization among the provinces.

- Keep the pressure on the process of rationalization of universities.

- How can the Maritime Provinces Higher Education Commission get more effective power to work toward a consolidation of programs?

- The trade unions are developing a regional strategy.

- The education curriculum has to change as the world changes.

- There is a need to examine the correlation between the dollars spent on education infrastructure and the end product. The recent Economic Council of Canada report may be a starting point. Look at what we want and structure the system to produce it. This ties in with the mandate of the Canadian Labour Force Development Board.

- A key is partnerships between education and professionals/industry to fill in the gaps. Schools and universities cannot do everything. There is a role for individuals with scientific backgrounds to act as mentors, for example.

Energy

The message to the Maritime Premiers should be to:

- **Maintain and build on the system of cooperation developed over many decades among Maritime utilities.**

- **Continue to examine ways to minimize costs of the next generation facilities.**

- **Look at the potential for savings under a joint Demand Side Management program. Consider a greater use of private power production.**

Tele-Communications

There are barriers at provincial borders to be overcome. A higher rate is charged for using tele-communications services from province to province. Long distance rates have historically subsidized local rates. Are we prepared to have local rates come up to actual costs?

In looking at the global marketplace, we must move to US long distance rates in Atlantic Canada.

Conclusions from the Afternoon Session

The afternoon session applied some specifics to the broad principles brought forward in the morning discussions.

Transportation

- Transportation has to serve current and future needs. A regional transportation strategy should be developed, including a full impact analysis which considers the impacts on environment, safety, lifestyle, tourism, vehicle maintenance, and abutting properties.

- Modes of transportation should not be developed in isolation. Consideration should be given to all modes--rail, road, water, and air--with a view to selecting the best features from each.

- There is a need for a transportation link with the New England States.

- Any considerations of energy and transportation projects should be reviewed under the standards in the Sustainable Development Strategy.

Health Care

- There is a great deal of pressure to address expenditures in both education and health care. There is also pressure for status quo. To reduce the pressure, it will be necessary to seek out the optimum features of the education and health care (community care) systems in the Maritime provinces, and apply the higher norm on a regional basis, with the provision that the process involve public participation.

- There is a need to promote healthy communities--to stress health prevention.

Education

- The Maritime Provinces Higher Education Commission should be given more authority to examine the logistics and design of the education system in the region.

- There is a need for standardization among the provinces in such areas as the transferability of credits.

- Pressure should be kept on the process of rationalization of universities.

- Partnerships between education and professionals/industry are to be encouraged, to enhance the ability of the education system to meet industry needs.

Energy

- The Maritime provinces should maintain and build on the system of cooperation developed over many years among Maritime utilities.

- Efforts should continue to examine ways of minimizing the costs of new generation facilities, projected to be needed after the year 2000.

- Utilities should look at the potential for savings under a joint Demand Side Management Program.

- Consideration should be given to a greater use of private power production.

Tele-communications

- There are impediments at provincial borders which should be removed--higher rate is charged for using tele-communications services between border areas, impacting users close to the border.

- In looking at the global marketplace, we must move to U.S. long distance rates in Atlantic Canada.

- Employers should be encouraged to make innovative arrangements with employees to enable them to work from home.

- The key to the information age is to facilitate the use of the hardware which individuals already own.

IV INVESTMENT

During initial discussion of the investment issue, investment was defined as the earning or spending of money.

A number of issues, concerns, and areas of opportunity were highlighted during the wide-ranging discussion and the following represent the major points:

- **Most businesses in the Atlantic region are small businesses.**

- **The issue of access to capital in this region for small business is a major problem for those who want to start or expand their businesses.**

- **In some instances, they are restricted to accessing capital. The extreme costs involved in raising equity capital for a business (i.e. legal costs, brokerage costs, etc.) is a major deterrent for many.**

- **Capital, which could be accessed, often moves out of the region.**

- **Somewhere there has to be an opening for businesses to raise equity capital in small amounts (i.e. $25,000) without the extensive requirements that companies must adhere to in order to raise $100 million.**

- **The whole issue of venture capital was discussed as a method of assisting businesses with tax credits.**

- **The utilization of pension funds was of interest to participants as a means of stimulating the local economy. However, it was noted that there has to be some assurance that these funds would be secure.**

- **While fund managers must ensure the best financial returns, there seems to be a reluctance to investing in Atlantic Canada. Are we not willing to invest in ourselves?**

Education

- Investment in the broader context includes investing in our future--in our region, our businesses, and our people.

- While education is currently viewed as an expenditure rather than an investment, it was felt there must be a relation between investment and education. Businesses should develop a "people plan" at the same time they develop their business plans.

- We do not have enough confidence in ourselves and our region.

- Attitudinal changes are required to support our provinces financially.

Economic Development

- Businesses require a level playing field in which to compete. (Regulations vary from province to province.)

- Grants given to businesses provide an unfair competitive advantage.

- Federal/provincial cooperative agreements are different in every province and, therefore, also create an unfair playing field.

- Grants also create rivalries between counties and municipal units.

- Participants felt there should be no grants provided to businesses at all.

- In Atlantic Canada, investments have not been developed in the long term.

- We need to recognize the importance of "community based" development and we should structure our support programs accordingly.

Cooperatives

- Cooperatives are subject to different regulations in every province and with two levels of government.

Government

- It is difficult for businesses to plan in the long term since governments make decisions based on whether or not it is an election year.

Technology

There is a need for:

- **investment in research and development--in development of technology, particularly to increase the competitive edge in the export market;**

- **investment in technology and trades.**

Principles and Issues

- We need an investment fund similar to the Quebec "Solidarity Fund" which is simple to access and in increments of $25,000. We need to build on our strengths and allow small businesses easier access to equity capital than the process big businesses must follow for accessing large amounts of equity.

- Low interest loans must replace grants to businesses--governments must get out of the grant business.

- We need to access NEW money with possible investments that might otherwise be directed into Rasps or other investment firms out of our region.

- Administration must be de-politicized and community based with private sector non-government boards; i.e., credit unions.

- Tax rebate for investing in Maritime companies and/or solidarity funds and/or credit unions.

- Assistance needed in market intelligence, design of products/services to meet market needs.

- Funds need to be available for developing new ideas (i.e. research and development); government has a role here.

- Subscribe to regional integration, but some opportunities require "clustering" and/or definition of role.

- Investment in the broader context--investing in knowledge, in training of people--and that builds on our strengths. Investing in our future.

- There must be an attitudinal change and thinking in the long term.

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REPORT OF THE NOVA SCOTIA

CONSULTATIONS ON

MARITIME ECONOMIC COOPERATION
PART II

COORDINATED BY: Voluntary Planning

DATE: June 5, 1992

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PART II

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FORWARD

The issues of Well Being, Competitiveness, Investment, and Infrastructure discussed at the workshop on Maritime Economic Cooperation were reflected in written submissions.

As in the workshop, writers generally favoured the concept of Maritime Economic Cooperation, but urged government to maintain high standards in health care and education.

In general, writers approved the elimination of provincial barriers and viewed Maritime Economic Cooperation as an opportunity to set aside inefficient practices and to work together to develop a vibrant economy using the best of our talents, skills, and resources.

The following are excerpts from written submissions made by the non-government sector. Some of these submissions were sent directly to Voluntary Planning as a result of an advertisement in two provincial daily newspapers on March 28, 1992. Others are excerpts from submissions made to Policy Board by the non-government sector and forwarded to Voluntary Planning.

A bibliography of these submissions can be found at the end of this section.

* Please note: items in square brackets are minor editorial items.

EXCERPTS OF SUBMISSIONS

WELL BEING

"We can have a better future if we build on our own strengths and adopt the view that the quality of whatever we attempt must be the world's finest - the finest lobsters, the finest chowder, the finest oysters, the finest potatoes, the finest education, the finest tourism industry, the finest telecommunications systems, the most advanced technologies, the finest training, the finest health care, the safest streets, and the cleanest environment."

"We fully support the thrust of these proposals that Maritime growth in the next century must be firmly rooted in all of our communities and predicated on our own resources, our own people, our own skills, and above all, on our own values, but we also believe we need new bridges of cooperation and new partnerships."

"We recommend that:

- the Council of Maritime Premiers adopt the principle of establishing a level playing field in all areas of social and environmental policy;

  leading edge standards be jointly developed in conjunction with the private sector, including labour; and

  these standards be included in a Maritime Social Charter"

People First

Canadian Federation of Labour/
Prince Edward Island Council/
New Brunswick Council/
Nova Scotia Council

"...I would hope to see some attention paid to opportunities for Maritime integration of health care delivery systems [during the Maritime Economic Cooperation workshop]. Specific topics might include a regional approach to technology assessment, regional service registries and joint health care delivery initiatives. Health care is a significant economic driver, and should be considered as a fundamental component of any Maritime integration strategy."

Gwen Haliburton, Provincial Health Council

"Teachers bear the brunt of violence, poverty, lack of discipline and numerous other social problems [of] their students...[On some days], very little teaching [gets] done because of various student crises."

Jim Grant, Nova Scotia Teachers Union

COMPETITIVENESS

While provincial bus lines fear deregulation will lead to predatory practices that will drive them out of business, tour operators have a different view point:

- **"The existence of a monopoly controlled by two families and enforced by government regulators serves as a disincentive to competition, not only on the basis of price, but also on service and quality of equipment."**

- **"At the recent National Tour Association - Atlantic Canada Caucus meeting, there was mention of how many operators were choosing to fly into Boston, Portland and Bangor instead of flying directly to Halifax. Not only will they be chartering their motorcoach in the United States but [they will now be] spending approximately [two] less nights in Atlantic Canada."**

Paul E. Emmons, Director, Atlantic Tours

This submission cited continuing parochialism in tourism promotion. The TOURAD.IMPACT program is designed to promote the Atlantic region. The writer indicated that this program lacks the necessary singe focus. It continues to produce "...four pictures, four sections and four IDs...the only glue that keeps this initiative [together] is the feds matching dollars."

The writer also questions coordination with new programs managed through ACOA.

"There are, in fact, a total of six provincially and/or federally funded advertising programs now running in Ontario, all representing Atlantic Canada and/or the four provinces. This duplication and redundancy is simply a waste of taxpayer dollars."

The writer suggests an Atlantic Tourism Marketing agency which would operate on the same basis as Atlantic Loto, leaving downsized tourism departments to focus on in-region marketing, product development, and service.

C. Mason

The Atlantic Canadian Chapter of Financial Analysts, a chapter of the Toronto Society of Financial Analysts and affiliated with the Association of Investment Management and Research, recommends privatization and deregulation are required "to maintain our competitive position" in the global economy.

The association applauded the initiative of the Council of Maritime Premiers to amalgamate the Securities Commissions in the Maritime Provinces. "In the interest of reducing the regulatory burden and expense on our industry and the tax burden on the region's taxpayers our Association endorses this initiative and hopes it will move forward quickly."

Atlantic Canadian Chapter of Financial Analysts

The Nova Scotia Printing Industries Association, in a letter to Economic Development Minister Thomas J. McInnis, wrote:

"...the Nova Scotia Printing Industries Association agree with the idea [of Maritime Economic Cooperation] in principle; our only concern is to maintain a level playing field between printers in various provinces."

"[There are]...difficulties maintaining a level playing field i.e. machinery tax, Government Sponsorship or involvement in new Graphic Arts related companies (competition), Tourism work that flows through Agencies not Government Purchasing."

"We will be only [too] pleased to provide as much input as required to ensure a level playing field in our industry."

Terry D. Mounce, President
Nova Scotia Printing Industries Association

INVESTMENT

Nova Scotia's entertainment industry is "virtually invisible in the public mind," according to the Chief Executive Officer of the Nova Scotia Film Development Corporation who participated in the workshop and supplied a written submission.

- **In addition to providing the findings of a study of this industry's impact on the economy, the writer added "As a measure of the scale, the active files for production this year that are now under consideration by the Corporation total some $15.5 million...in feature films, television series, and documentaries."**

- **The writer concludes that "One of the major impediments to continued growth in the sector is the lack of tax incentives for private investment. Only Quebec and Ontario have programs of incentives or rebates for private investment, and the Corporation and the industry have been actively urging the government to move in this direction, to date with no result."**

Ann C. Jamieson
Nova Scotia Film Development Corporation

"...we feel that Co-operatives must be permitted to pursue the formation of capital without undue and excessive regulatory intervention. Recognition must be given to the unique nature of co-operative share capital which does not trade publicly through a stock exchange. Cooperatives should also be permitted to raise debt and equity capital through the direct public offering of securities. A regulatory structure which encourages ethical investments of this nature by the public must be developed if 'the money of Maritimers' is to be invested in local co-operative businesses."

"CGA - Nova Scotia is working together with our colleagues in the other Atlantic provinces to present a more detailed brief on co-operatives and credit unions to the line committee responsible for that area of concern."

"We firmly believe that securities legislation should ensure the disclosure of investment risk to the public thereby permitting the public to make informed investment decisions. Securities legislation should facilitate the access to capital markets by legitimate business enterprise."

"In our opinion, legislative models recently adopted within Atlantic Canada do not properly facilitate the employment of capital within the region. This existing legislation fails to acknowledge the unique nature of our economy and the administration of this legislation by regulatory commissions could very well impede Maritime business' access to capital."

Certified General Accountants Association of Nova Scotia

"...each province, and the Council of Maritime Premiers collectively, ensure that matching provincial tax credits for Working Ventures are made available throughout the entire region, and thus allow Maritimers to invest directly in their own future; and

consideration be given to establishing a Regional Heritage Fund, financed by a small (de minimis) resource extraction tax."

"People First"

Canadian Federation of Labour/
Prince Edward Island Council/
New Brunswick Council/
Nova Scotia Council

"There is a tendency to assume that the combined government demand will be sufficient to entice an existing or potential producer to make the necessary investment. I believe that this will happen in only a few cases, and that most of those who take advantage of the proposed new system will be importers."

"On the other hand, there are many, many cases in which the combination of provincial (maybe also federal) government requirements with imports into the Region could result in a total of critical interest to a regional producer, if he only knew how large that total was."

"A well-financed large corporation is forced to carry out its own, extremely expensive, on-going trade investigation and analysis in order to obtain the information that it requires, before committing to heavy investment. The small company cannot afford to do this, as indeed it often cannot afford to explore export markets."

"In a regional context, no information whatsoever is available inside or outside government, that would enable either governments or the private sector to know the numerical level of consumption, and imports, of itemized goods and services. Maritimes businesses are small, generally already uncompetitive, and of low profitability. Combined with a very parochial attitude in most cases, this results in businesses not only not knowing the true size of the regional markets, but of not having access to the appropriate data should they be so interested."

"...that governments make maximum 'import substitution' an on-going objective, of greater importance than exports as a development target. In my view, greater exports will then naturally develop from a supply sector that derives the major part of its income from the domestic market."

"Collection of the import and demand data required for this purpose will not be inexpensive, as governments may find when they attempt to assemble data regarding their own purchases. Yet the costs are small, measured against the benefits. Even a new private sector 'Statistics Maritimes' might arise."

Frank N. Wood

[Atlantic Canadian Chapter of Financial Analysts]

"The ACFA strongly urges a private sector solution to this problem...[by] establishing a strong base of full service, regionally located, investment management firms.

- The investment decisions would be made by professional investors located in the Atlantic region.
- A significant infrastructure of highly qualified and competitive Portfolio Managers and analysts with their support staff would be established.
- Spin-offs from an investment management community (i.e. brokerage commissions, etc.) would be retained in Atlantic Canada.
- Regional private and government projects seeking capital would have ready access to this capital through the local investment managers who would be able to make informed investment decisions because of their familiarity and interest in such projects.
- Public concerns regarding patronage and politically-motivated investment decisions would be non-existent in a private sector solution.
- The development of a strong and competitive regional investment management infrastructure would encourage private sector pension funds to be managed in the region, thus increasing the amount of potential capital available for investment in the region.

In essence, the ACFA supports the position taken by Atlantic Canada Plus in their position paper of 1990."

The investment of personal trust assets is governed by "legal list power" in Nova Scotia, Prince Edward Island, and Newfoundland, and by the "prudent man" approach in New Brunswick. "It is the opinion of the Atlantic Canada Chapter of Financial Analysts (ACFA) that the legal list approach to trust investment fails to provide the degree of flexibility required to adapt to today's rapidly changing economic and financial conditions."

The ACFA recommends that "the investment provisions...of the four Atlantic Provinces be harmonized and that the prudent man rule be adopted as the accepted standard for the investment of personal trust assets."

"It is the view of the Atlantic Canada Chapter of Financial Analysts that trust assets subject to the Trustee Act investment provisions in Nova Scotia, Prince Edward Island and Newfoundland, are being unnecessarily harmed by adherence to the legal list approach to trust investment in these provinces. In order to provide the greatest degree of flexibility to trust investment portfolios in an environment of rapidly changing economic and financial conditions, ACFA recommends that steps be taken to harmonize Trustee Act investment provisions in the Atlantic Provinces. It is our view that the prudent man rule, as adopted by the Province of New Brunswick, is the most sensible and pragmatic choice to replace the legal list statutes."

"In addition to those provisions related to the investment of personal trust funds, ACFA believes that it is also important to address the provisions which govern pension trust assets and other public sector trust funds in Atlantic Canada."

"With respect to funds held in trust by the provinces in Atlantic Canada (public sector pension funds, sinking funds, etc.), ACFA encourages the harmonization of any provincial statutes which govern investment (an example would be the Nova Scotia Finance Act). Many of the directives of such Acts (which take the legal list approach to investment of funds) appear outdated and arbitrary. Unlike the case with personal trust funds, however, there do not appear to be any statutes in Canada that would materially improve the situation if adopted. With this in mind, ACFA recommends that the version of the prudent man rule found in the Employee Retirement Income Security Act of 1974 (ERISA), an American statute, be used as a model for development of new laws in Atlantic Canada, and indeed in the country as a whole. This Act, which takes into consideration the developments in modern investment theory, perhaps goes further than any other in departing from outdated investment management practices."

Atlantic Canadian Chapter of Financial Analysts

INFRASTRUCTURE

- **"...borders created for political purposes no longer contain economic interests as they once did. Industrial policy based on borders will no longer contain fluid assets."**

- **"The only factor of production which is relatively immobile internationally, and which has the greatest potential for adding value to the goods and services we produce, [is] people. As Robert Reich argues in his book <u>The Work of Nations</u>, '...the real economic challenge facing the United States in the years ahead - the same as that facing every other nation - is to increase the potential value of what its citizens can add to the global economy, by enhancing their skills and capacities and by improving their means of linking those skills and capacities to the world market.'"**

Jim Grant, Nova Scotia Teachers Union

- "We will be no less Newfies, Bluenosers, Herring Chokers, Spud Islanders, Acadians or Cape Bretoners if we forget our internal bickering and speak with one Atlantic, or at least Maritime, economic voice."

- "The political level cannot themselves bring about union or economic integration--it is we in the private sector who must accept our responsibility for the economic plight in which we find ourselves and thus give direction to the political level as to the action we want. We have talked, and talked, and we have been doing so since 1864. It is now time to act; it is time to challenge our political structures to move forward and enhance our economic future."

- We must pay more attention to the ocean as a means of economic development, tourism, transportation, ocean related manufacturing, but neither the politicians nor ACOA will appear to entertain ocean development as important to Maritime economic development.

- "The Maritime options considered have included the Atlantic Canada House in Ottawa to pursue the Canadian dollars," yet the cancellation of the International Centre for Ocean Development (ICOD) met with no opposition within the province.

Peter Flewwelling
Flewwelling Ocean Resources Consulting

"Maritime economic integration will bring some benefits, but it is not the solution to the major problems of the region. Nor will it automatically guarantee increased competition with a corresponding reduction in the need for government regulation. Many aspects of integration have both positive and negative effects and the discussion to date has focussed only on the positive."

"Economic integration will require significant changes in attitudes, particularly on the part of politicians. If these changes are to occur, it will require a considerable amount of public pressure because of the vested interests threatened by more open government tendering and expanded regional markets. But since integration has a much smaller impact than other approaches, such as a commitment to full employment, integration should be considered the first small step of a much more important journey. We cannot allow politicians to use integration, actual or just the idea, to distract us from the much more important and far-reaching changes that are necessary."

Maritime Economic Union: Sounding Brass and Tinkling Symbolism
by Michael Bradfield, for
National Union of Provincial Government Employees (NUPGE)

"The Construction Associations of Prince Edward Island, New Brunswick and Nova Scotia endorse the vision statement on economic integration as articulated in the **Challenge and Opportunity** report of the Council of Maritime Premiers. The Associations will work cooperatively to respond to the specific initiatives in the report, and will encourage their counterpart in Newfoundland to consider areas for Atlantic cooperation.

The Construction Associations believe there are three major theme areas where initiatives should be pursued. These are:

- Improving Productivity and Future Growth of the industry through greater cooperation and planning.

- Promotion of Standard Practices and Ethics in the tendering process.

- Improving the Legislative and Regulatory Environment through increased standardization and cooperation.

These theme areas are consistent with the strategic goals identified by the Premiers.

The Construction Associations will also be pursuing cooperative initiatives in the delivery of programs and services to their respective memberships. A joint meeting of Executive Committees is planned in the new year. An example of this cooperation has been the development in Atlantic Canada of a national certification program for construction management personnel."

Construction Associations of Prince Edward Island,
New Brunswick, and Nova Scotia

Mr. Creel MacArthur wrote that the region must get together politically.

"[Federal] money given...Ontario or Quebec is for economic development...the same money to our region is scornfully looked on as a handout (again)." The writer cited federal subsidies for St. Lawrence River Pilots' fees. The fees in the ports of Saint John and Halifax are not subsidized.

Creel MacArthur

The Joint Maritime Councils of Labour made several recommendations on Maritime Economic Cooperation, including the following:

- "...the Council of Maritime Premiers establish private sector working groups to examine existing practices and develop new leading-edge regional standards. The emphasis must be placed on creating excellence.

- ...a detailed review of all regional assets and potentials be undertaken and an assessment made of each as to its sustainable yield and development potentials; and

  the Maritime region introduce and enforce the most stringent environmental standards and controls with significant penalties.

- ...options for positive action and restructuring of the regions' social and economic infrastructure be developed for the next century as if there were a clean slate with no limitations, as if the collective will was the only limit to what we can do, and as if there were no constitutional constraints on the realm and scope of provincial activities.

- ...the new economic plan be predicated on and driven by an empowered private sector involving all of the players on an equal footing, and that new collaborative and cooperative mechanisms (partnerships) be created to give a longer term effect to this.

- ...the development of economic and industrial options at the micro and community levels should make specific provisions for considerable applied research and new product development, further processing and value-added of all regional resources prior to export; (e.g. pickled, smoked, marinated, microwaveable ocean products; semi- and fully-manufactured wood products, further mineral processing, etc.); and

  new activities
  a range of new products and services be developed which are based on traditional Maritime values, and for which specific global niches can be obtained.

  In this regard we recommend that the Maritime telephone and telecommunication services be upgraded to the highest global standards with full linkages to Europe and the US Eastern Seaboard, and serve as a basis for the creation of new jobs and new industries in the information age.

  We further recommend that capabilities to use and operate these systems by all communities be upgraded. Consideration could be given to improved computer linkages between Universities and all community schools as well as an upgraded [service] from community libraries. The concept of 'distance learning' should also be considered.

- ...a private sector international marketing and technological information service serving the entire Maritime region be established which would upgrade the capability of many of the smaller communities and emerging businesses.

- ...the Council of Maritime Premiers give serious consideration to an expanded role for unions in the definition of regional qualifications and in the delivery of training for technical and vocational skills."

- ...the provincial governments urgently complete the development of the Maritime Economic Integration Plan in its entirety, including the full and detailed enumeration of all the exclusive provincial powers and responsibilities needed to fully implement any proposed new value-added strategies; and that

  this new economic plan serve as the basis for discussions with the federal government on the existing division of powers.

- the development of options for the purposes of conservation and sustainable development specifically include the policies and institutional arrangements for the exclusive provincial and regional responsibility for the longer term maintenance of the entire regional resource base including fisheries.

- **...a special task force of Premiers or other high level mechanism be established to review the regional strategic development options in their broadest possible context and provide the detailed rationale in support of new divisions of federal and provincial powers and responsibilities; and**

  this be coordinated with the Province of Newfoundland, as the constitutional interests of Atlantic Canada are identical in this area.

- **...any early endorsement of new federal powers by the Maritime Premiers that might preclude the proper provincial initiatives to implement the above strategy not be contemplated at this time.**

People First

Canadian Federation of Labour/
Prince Edward Island Council/
New Brunswick Council/
Nova Scotia

Those invited to the Maritime Economic Cooperation workshop were asked to submit topics for discussion. The following is a response to that request.

- "Removal of Barriers re: Provincial Production and Trade of [Resource] Industry Products:

  i.e. Quotas re: Agriculture
  Zones and Licenses re: Fisheries"

- "Local Economic Development

  (a) Role of Co-Ops and Credit Unions, if any;

  (b) Municipal Government;

  (c) Harmonization of Municipal, Provincial and Federal incentive programs."

- "Integration and realization that the resource sectors are as much a part of the business world as the so called **'business world'** itself."

- "Integration and standardization of Provincial Government Departments within a Province prior to integration with a department from another Province."

Frazer M. Hunter, Executive Director
InRich Business Development Centre Limited

"The Canadian higher education system is under severe pressure. The accounting profession must recognize the new reality of post-secondary institutions which find themselves in a zero-flexibility situation to accommodate new students or new programs."

"CGA - Nova Scotia is proud of the fact that the entire professional education program leading to certification as a CGA is self-funding. Not a single penny of public funds are required to fulfil the mandate of producing first-class, fully qualified professional accountants. The CGA Associations in Canada have in fact developed a globally recognized study program over a 40 year cooperative arrangement with the University of British Columbia Business Faculty, recognized as one of North America's finest. The program is continually up-dated with the resources of CGA - Canada."

"As members of the Canadian self-regulating accounting profession, CGA's have an obligation to provide effective leadership, particularly when the economic entities we serve are undergoing substantial change. We ensure that our member qualifications and structures evolve and remain at all times appropriate to the needs of our clients and employers. Serving the public's best interest is an obligation for CGA's. It is within this climate that we advocate the freedom of movement of Certified General Accountants within the Atlantic Region, based on the elimination of restrictive laws and regulations which currently constitute unfair barriers to our members in public practice."

"When considering an appropriate model for the profession in Nova Scotia one only has to look to our neighbouring province of New Brunswick. The accounting profession in that province is self-regulating based on modern legislation adopted in 1986. It is up-to-date, comprehensive, and, unlike the Nova Scotia legislation, it contains numerous sections designed to protect the public interest. In addition, it was adopted in a parallel form which treats Certified General Accountants and Chartered Accountants on a completely equal basis."

Certified General Accountants Association of Nova Scotia

LIST OF SUBMISSIONS

1. Atlantic Canada Tourism Marketing - Mr. C. Mason, Dartmouth
2. Atlantic Canadian Chapter of Financial Analysts
3. Atlantic Tours - Paul Emmons, Director
4. Certified General Accountants Association of Nova Scotia
5. Construction Association: Joint submission by the Construction Associations of Prince Edward Island, New Brunswick, and Nova Scotia
6. Flewwelling Ocean Resources Consulting - Peter Flewwelling
7. InRich Business Development Centre Limited - Frazer M. Hunter, Executive Director
8. Maritime Economic Union: Sounding Brass and Tinkling Symbolism - Michael Bradfield, a report prepared for the National Union of Provincial Government Employees (NUPGE)
9. The Need for Political Union - Mr. Creel MacArthur, Halifax
10. Nova Scotia Film Development Cooperation - Ann C. Jamieson
11. Nova Scotia Printing Industries Association - Terry D. Mounce, President
12. Nova Scotia Teachers Union - Jim Grant, Research Coordinator
13. People First - Joint Maritime Councils of Labour
14. Provincial Health Council - Gwen Haliburton
15. Wood, Frank N.